

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 1344

Washington, D. C.

July 7, 1951

Issuance of Price Regulations Delayed

The price ceiling regulations that were in effect on June 30 for canned fruits, vegetables, fish, etc., will in all probability continue until Congress has clarified its position with respect to the various anti-rollback provisions. As the LETTER went to press, there was indecision within OPS as to whether new regulations affecting canned foods could be issued during the interim extension period. Thus it is possible that OPS will not issue any additional canned fruit, vegetable and fish regulations until Congress has completed its

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FDA Hearing August 7 on Liquid in Canned Tomatoes

The Federal Security Agency has called a hearing for August 7 to consider amendment of the standard of identity for canned tomatoes to permit added tomato liquid from whole tomatoes without label declaration. The hearing is called in response to a request by the Association on behalf of the industry (see INFORMATION LETTER, June 16, page 237) and the Food and Drug Administration and FSA have cooperated in expediting the hearing date.

Text of the Notice of Hearing, as published in the July 4 *Federal Register* follows:

In the matter of amending the definition and standard of identity for canned tomatoes:

Notice is hereby given that the Federal Security Administrator, upon application of a substantial portion of the interested industry stating reasonable grounds, and in accordance with sections 401 and 701 of the Federal Food, Drug, and Cosmetic Act (52 Stat. 1046, 1055; 21 U.S.C. 341, 371), will hold a public hearing commencing at 10:00 o'clock in the morning of August 7, 1951, in room 5439, Federal Security Building, Independence Avenue and Fourth Street, SW, Washington, D. C., for the purpose of receiving evidence upon proposals to amend the regulations fixing and establishing a definition and standard of identity for canned tomatoes (21 CFR 53.40). At

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OPS Prohibited from Instituting Price Rollbacks During Defense Act Extension

The House and Senate on June 29 passed H. J. Res. 278, the joint resolution temporarily extending the Defense Production Act and limiting the power of the Office of Price Stabilization to institute price rollbacks during the extension period (INFORMATION LETTER June 30, 1951, page 256). With the President's signature affixed on June 30, just a few hours before the time on which most of the control powers under the Act would have expired, the resolution became law.

The extension amendment accomplishes three major purposes:

(1) it extends the expiration date of the principal control powers under the Defense Production Act, including the authority for price and wage stabilization, to July 31, 1951;

(2) it prohibits OPS from putting into effect, or allowing to become effective, any price ceiling on any material or product lower than the ceiling in effect for that material or product on June 30, 1951; and

(3) it prohibits the application of price ceilings to any materials or serv-

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Carloading Requirements Eased by Special ICC Orders

Four general permits under the heavy carloading Order 878 are scheduled for issuance July 9, ICC advises. The permits furnish relief to cannery on the shipment of import (coastwise and intercoastal) freight, shipment of barrels and drums, mixed commodities, and mixed cars of foods in tin and glass containers.

Following are excerpts from the text of the forthcoming orders, which will be effective at the close of the suspension of Service Order 878 (July 15):

No. 1(f) "Permission is granted to any common carrier subject to the Interstate Commerce Act to disregard the provisions of Service Order No. 878 insofar as they apply to carload freight including import (coastwise and intercoastal freight) moving first by water on the high seas to a port in continental United States and sent by rail in a single car or move first

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Congress Debates Defense Act

General debate on H. R. 3871, the Administration bill to amend the Defense Production Act, began in the House on July 5. Starting Monday, July 9, the House is expected to consider the 57 amendments to the bill that have been recommended by the House Banking Committee and others that will be submitted by House members. Should the House pass a bill during the coming week, its action would take the form of an amendment to the measure (S. 1717) adopted by the Senate on June 29. Conferees would then be appointed by the House and Senate to work out a bill satisfactory to both sides of Congress.

A major issue before the House and one that received considerable debate in the Senate, is the subject of anti-rollbacks. The text of the anti-rollback provision passed by the Senate was quoted on page 256 of the June 30 INFORMATION LETTER.

The House Committee on Banking and Currency has proposed that anti-

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Walsh-Healey

Announcement of the decision on the Walsh-Healey exemptions to apply on Army canned foods purchases is expected momentarily but had not been made as the INFORMATION LETTER went to press. The application for such exemption, filed by the Secretary of the Army, was still awaiting action in the office of the Secretary of Labor.

STATISTICS

Wholesale Distributor Stocks of Canned Foods

A summary showing wholesale distributor and canner stocks of specified canned foods, compiled by the Bureau

of the Census and combining canners' stock totals of the N.C.A. Division of Statistics, is shown below:

Wholesale Distributor and Canners' Stocks of Specified Canned Foods
(Including warehouses of retail food chains)

Commodity	June 1, 1950		June 1, 1951		May 1, 1951		All sizes smaller than No. 10 June 1, 1951	Institution sizes, all sizes No. 10 or larger June 1, 1951
	Distributors	Canners	Distributors	Canners	Distributors	Canners		
<i>(in thousands of actual cases)</i>								
Vegetables:								
Beans, green and wax.....	3,396	2,328	4,772	2,100	5,110	3,036	3,937	845
Corn.....	6,442	10,078	7,467	1,388	8,547	2,831	6,832	635
Peas.....	4,436	2,141	6,332	1,111	7,275	2,298	5,086	646
Tomatoes.....	4,033	2,599	2,966	142	3,923	288	2,459	507
Fruits:								
Apricots.....	686	557	647	141	846	260	562	85
Fruit cocktail ¹	1,544	2,937	2,478	635	2,660	1,155	2,230	248
Peaches.....	3,780	2,724	4,364	685	5,316	1,274	3,897	467
Pears.....	956	649	1,352	712	1,325	1,190	1,182	220
Pineapple.....	3,404	1,770	5,053	1,078	5,486	1,462	4,517	536
Juices:								
Tomato ²	2,925	5,031	3,700	1,661	4,475	3,042	3,541	159
Grapefruit ³	1,234	2,844	2,347	5,338	2,626	4,137	2,312	35
Orange ³	1,651	4,238	2,270	5,064	2,566	6,274	2,245	25
Citrus blend ³	689	1,556	1,016	2,435	1,339	2,627	1,004	12
Pineapple.....	1,720	1,183	1,980	3,708	2,163	4,173	1,938	42

¹ Includes fruit for salad and mixed fruits (except citrus). ² Includes vegetable juice combinations containing at least 70 percent tomato juice. ³ Canners' stocks cover Florida only; reported on No. 2 basis—not actual cases.

Source of canners' stocks: National Canners Association, Pineapple Growers Association of Hawaii, and Florida Canners Association.

TRAFFIC

N.C.A.-ICC Confer on Canned Foods Heavy Carloading Order

The N.C.A. Traffic Committee has been advised that Car Service Order 878, the heavy loading order for canned goods will not be suspended beyond July 15. (This order was sent to the membership as a supplement to the June 16 INFORMATION LETTER.)

Hardship cases under the 65,000 pound minimum loading order may apply for a "90 day special permit" to Howard S. Kline, Permit Agent, Car Utilization Section, Bureau of Service, Interstate Commerce Commission, Room 5135, ICC Building, Washington, D. C. The 30 day special permit is being prepared for shippers having a substantial movement of cars (from 10 to 25 per month) and will be issued to the serving railroad. A smaller user of cars will be serviced by special permits for each car.

Canners applying for the 30 day special permit are advised to name both the plant and the serving railroad. At the close of the 30 day period a

loadage record must be submitted to the ICC Permit Agent who will determine from the canners record the justification for an additional permit.

On June 29 the N.C.A. Traffic Committee met with the Director of the ICC Car Service Division and the Administrator of Car Service Order 878, at their invitation, to discuss the heavy loading order and to present the canning industry's views. The Association of American Railroads was also represented.

The ICC stated that compliance with CSO 878 was necessary to provide maximum utilization of cars during the emergency. The Committee, in pointing to an Association of American Railroads report of 22,377 surplus cars during June, was advised that this was due to the delayed harvest of grain and too, only a very small number of these cars was suitable for canned goods. The impact of the grain harvest is expected to soon draw heavily on the reported car surplus.

The Traffic Committee reiterated its recommendations submitted to the ICC on April 5, 1951, that:

(1) A minimum carloading order on canned foods, if and when issued,

should apply only for the duration of a car shortage.

(2) A reasonable effort should be made to have the railroads provide for some incentive to the shipper for heavier loading.

(3) Provisions should be made for the liberal issuance of reasonable requests for permits exempting shipments from full compliance with the order when necessary.

(4) There should be established a multiple car loading rule.

(5) There should be a provision authorizing full use of transit privileges without restriction as to territory.

The ICC advised the Committee that they would consider and act on recommendations for general permits on water borne traffic, barrelled goods, mixed cars with reference to the percentage of commodities listed in Appendix A of the order, and mixed cars of foods in tin and glass. (See page 257.)

Canned Foods Carloading

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by water on the high seas to a port in the continental United States thence by an inland water carrier to another point in the United States thence by rail in a single car to destination when in either case such carload freight moves as a complete order from both the point it is first shipped by water and the point it is reshipped by rail."

No. 2(f) "Permission is granted to any common carrier subject to the Interstate Commerce Act to disregard the provisions of Service Order No. 878 insofar as they apply to any car loaded with commodities named in Appendix A in barrels or drums weighing 500 pounds or more when such barrels or drums are loaded on end one tier high covering the entire floor space of the car, and/or in barrels or drums weighing 250 pounds or more and less than 500 pounds loaded on end two tiers high covering the entire floor space of the car."

No. 3(f) "Permission is granted to any common carrier subject to the Interstate Commerce Act to disregard the provisions of Service Order No. 878 insofar as they apply to any car loaded with mixed commodities including commodities named in Appendix A when the volume of commodities named in Appendix A is 33 1/3 percent or less by weight, of the total weight of the entire car."

No. 4(f) "Permission is granted to any common carrier subject to the Interstate Commerce Act to disregard the provisions of Service Order No. 878 insofar as they apply to carload freight consisting of commodities named in Appendix A packed in glass in cartons and packed in tin in cartons in mixed cars when such cars are loaded to 60,000 pounds or more."

INSPECTION

Fruit, Vegetable Inspection Rate Revisions Proposed

The U. S. Department of Agriculture published in the *Federal Register* of June 30, a proposed revision of inspection fees and sampling rates for processed fruits and vegetables and their processed products, and for certain other processed foods. Interested persons have until July 10 to comment on the proposal.

Under the proposal the inspection fee for each 1,000 cases of canned foods, after a minimum fee for the first 600 cases, would be increased to \$8 (formerly \$7); for a 50,000-pound car of frozen foods to \$22 (formerly \$19); for a 60,000-pound car of dried fruits—other than figs and dates—to \$18 (formerly \$14.60); for a 60,000-pound car of figs or dates—to \$45 (formerly assessed on an hourly rate); hourly rate to \$3.60 (formerly \$3). The Department said the increases proposed are necessary because of increased costs of the service.

Revised minimum sampling rates are proposed for most products. In some instances the minimum number of samples required for inspection purposes has been increased and in others the minimum number of samples required has been reduced.

CONGRESS

Farm Labor Supply Bill

Legislation to establish a federal program for the importation of Mexican nationals for use in agriculture and agricultural processing received final Congressional action last week with the adoption of a conference committee report through which the House and Senate reconciled their differences.

Now awaiting Presidential action, the bill does not contain the controversial penalty amendment approved by the Senate that would have made it a felony to knowingly employ a so-called Mexican "wetback." The new bill will require employers of Mexican nationals to reimburse the federal government up to \$15 per worker for transportation costs within Mexico. The Mexican program will be administered by the United States Employment Service.

Defense Production Act

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rollbacks be limited to agricultural commodities by providing that no ceiling shall be established or maintained below 90 percent of the price received by producers on May 19, 1951. Chairman Cooley of the House Committee on Agriculture, who offered the anti-rollback provision which was adopted in the 31-day extension measure, is sponsoring an amendment to the bill that would ban any rollbacks below the "general level of prices for each grade, quality, or type" of material prevailing immediately preceding the issuance of the regulation or order "first establishing a ceiling for such material or service."

STANDARDS

Frozen Foods Standards

The U. S. Department of Agriculture has announced proposed U. S. standards for grades for frozen diced carrots, frozen field peas and frozen blackeye peas.

The diced carrots grades represent the first issue for proposed standards and were published in the *Federal Register* of July 3. Interested parties may submit views and comments during the 30 days following publication to the Fruit and Vegetable Branch, Production and Marketing Administration, Department of Agriculture, Washington 25, D. C.

The proposed standards for grades of frozen field peas and blackeye peas were published as a notice of rule making in the *Federal Register* of July 6. August 5 is the deadline for submission of views and comments on these standards.

Liquid in Canned Tomatoes

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the hearing, evidence will be restricted to testimony and exhibits relevant and material to such proposals. The hearing will be conducted in accordance with the rules of practice provided therefor.

Mr. Bernard D. Levinson is hereby designated as presiding officer to conduct the hearing in place of the Administrator, with full authority to administer oaths and affirmations and to do all other things appropriate to the conduct of the hearing. The presiding officer is hereby required to certify the entire record of the proceeding to the Administrator for initial decision.

Dedication Data Needed

About a third of the N.C.A. membership have returned the postcards indicating their plans regarding the West Coast Dedication Ceremonies in Berkeley, October 11-12. It is urged that those who have not yet returned this card do so promptly as the information will assist The Dedication Committee in proceeding with plans for the event.

The proposed amendment set forth below for consideration at the hearing is subject to adoption, rejection, or modification by the Federal Security Administrator, in whole or in part, as the evidence adduced at the hearing may require.

It is proposed that §53.40 *Canned tomatoes; identity; label statement of optional ingredients* be amended by deleting from paragraph (b) the requirement that the label bear a statement showing the presence of the optional ingredient described in paragraph (a) (3) of that section.

PERSONNEL

Roy Lucks Is Calpack President

At a meeting of the board of directors of California Packing Corporation on June 28, Roy Pratt was elected chairman of the board. He had served as president of the firm since November, 1948.

Ralph Brown, formerly senior vice president, was elected chairman of the advisory committee, and Roy Lucks, formerly vice president, was elevated to the position of president of the corporation.

Pineapple Growers Association

The Pineapple Growers Association of Hawaii elected the following officers for 1951-52 at the association's annual meeting June 29:

President—Elvon Musick, San Francisco (reelected); first vice president—E. B. Woodworth, Hawaiian Pineapple Co., Ltd., San Francisco; second vice president—Randolph Crossley, Hawaiian Fruit Packers, Ltd., Honolulu; third vice president—G. E. McDearmid, Libby, McNeill & Libby, San Francisco; fourth vice president—Dr. E. C. Auchter, Honolulu (reelected); secretary—C. L. Queen, San Francisco (reelected); and treasurer—R. E. Searby, Hawaiian Canneries Co., Ltd., Kauai.

DEFENSE

Text of OPS General Overriding Regulation 13

Following is the text of General Overriding Regulation 13, as issued by the Office of Price Stabilization on July 1:

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency
(General Overriding Regulation 13)

GOR 13—CONTINUATION OF CEILING PRICES IN EFFECT ON JUNE 30, 1951, FOR COMMODITIES OR SERVICES COVERED BY SPECIFIED MANUFACTURERS' REGULATIONS

Pursuant to the Defense Production Act of 1950 (Public Law 774, 81st Cong.), as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this General Overriding Regulation No. 13 is hereby issued.

STATEMENT OF CONSIDERATIONS

Ceiling Price Regulation 22 and companion regulations provided for a number of rollbacks to become effective after June 30, 1951. Those rollbacks, however, are prohibited by the Joint Resolution enacted into law on June 30, 1951, which extended the Defense Production Act until July 31, 1951. That resolution provides that the authority of the Defense Production Act, "shall not be exercised during the period June 30, 1951, to July 31, 1951, inclusive, to place into effect, or permit to become effective, a price ceiling for any material or service lower than the ceiling in effect for such material or service on the date of the enactment of this resolution."

This resolution was adopted as a temporary limitation, pending further consideration by Congress, following the passage of the Senate bill (S. 1717) limiting the authority for rollbacks in ceiling prices. The Senate Banking and Currency Committee, in reporting that bill expressed the intention that the limitation on rollbacks be accompanied in administration by a restriction, where practicable, of future rollforwards above the January 24-February 24, 1951, level. (Sen. Rep. 470, 82nd Cong., 1st Sess. p. 18.) The debate in the House of Representatives indicates the general intention that the Resolution operate to preserve the status quo, pending further Congressional consideration. (97 Cong. Rec. pp. 7666-7, 7669, 7674, 7677.)

The Director of Price Stabilization is of the opinion that pending further clarification and study manufacturers' ceiling prices should be kept at their existing level. The effect of this general overriding regulation is to elimi-

nate all requirements for rollbacks after June 30, 1951, and to freeze price ceilings provisions in effect on June 30, 1951.

Sellers of commodities subject to CPR 22 and the companion regulations who have put those price ceiling regulations into effect on or before June 30, 1951, as to any commodity or service, continue to price under those regulations for that commodity or service. Otherwise the seller continues to apply the GPCR, except in the case of wool yarn and fabrics where he applies CPR 18.

Sellers who have not yet filed their reports under the regulations in question need not do so until further action by the OPS. This provision does not countermand reports already on file. But whether such reports containing proposed increases in ceiling prices became effective on June 30, 1951, may depend on the waiting provisions of the regulation. Under CPR 22, reports of ceiling price increases received by OPS after June 14, 1951, will not have the effect of establishing a ceiling price in effect on June 30, 1951, since the 15-day period after date of receipt will not have expired on or before June 30, 1951. Ceiling prices for commodities covered by such filings will, therefore, remain at their GPCR level.

Special circumstances have rendered impracticable consultation with industry representatives prior to the issuance of this regulation.

REGULATORY PROVISIONS

Sec. 1. Coverage.

Sec. 2. What this regulation does.

Sec. 3. Commodities or services first dealt in after June 30, 1951.

Sec. 4. Reports not required.

Authority: Sections 1 to 4 issued under Sec. 704, Pub. Law 774, 81st Cong., as amended. Interpret or apply Title IV, Pub. Law 774, 81st Cong., as amended; E. O. 10161, Sept. 9, 1950, 15 F. R. 6105.

GENERAL OVERRIDING REGULATION 13

SECTION 1. *Coverage.* This General Overriding Regulation applies to you if you are subject to any of the following price ceiling regulations or regulations supplementary thereto:

CPR 22—Manufacturers' General Ceiling Price Regulation.

CPR 30—Machinery and Related Manufactured Goods.

SECTION 2. *What This Regulation Does.*

(a) If any of the price ceiling regulations listed in Section 1 was in effect

as to you on June 30, 1951, for any commodity or service, your ceiling price for that commodity or service shall continue to be determined under that regulation. Otherwise, you shall compute your ceiling price for the commodity or service under the General Ceiling Price Regulation, or under CPR 18 in the case of wool yarns and fabrics.

(b) Even though you filed a report, under a regulation listed in Section 1, of a proposed ceiling price with respect to a commodity or service, that regulation was not in effect as to you on June 30, 1951, for that commodity or service, if the requisite waiting period had not expired, or if the proposed ceiling price was not properly determined under the applicable regulation.

SECTION 3. *Commodities or Services First Dealt in after June 30, 1951.*

If a commodity or service was not offered for sale, sold or delivered by you on or before June 30, 1951, you shall apply this Section 3 and shall determine the ceiling price under the regulation applicable to the commodity or service which will yield ceiling prices most nearly in line with your ceiling prices in effect on June 30, 1951, for your related commodities or services. In the event you were not in business prior to June 30, 1951, you may use either the General Ceiling Price Regulation or the applicable regulation listed in Section 1 to determine your ceiling prices.

SECTION 4. *Reports Not Required.* You need not after June 30, 1951, file any reports under any of the regulations listed in Section 1 except as to the extent that the regulation is applicable to you after June 30, 1951, and except for reports required in connection with prices established under Section 3 of this regulation.

EFFECTIVE DATE. The provisions of this General Overriding Regulation are effective July 1, 1951, and shall continue in effect until further notice. June 30, 1951.

s/EDWARD F. PHELPS, JR.,
Acting Director of Price Stabilization.

Price Rollback Prohibition

(Concluded from page 257)

ices not presently subject to price control, except that ceilings may be placed on agricultural commodities now selling below parity whenever such commodities reach the parity level.

Last week's action by Congress will therefore have a pronounced effect on the price stabilization picture with respect to canned foods. The ceiling price regulations for the major canned fruits and vegetables, the issuance of which was expected at some time in the near future, may be further delayed. Those canned food items which were to be priced under CPR 22, the

Manufacturers General Ceiling Price Regulation, as of July 2, will for the most part remain subject to GCPR, the price freeze order of last January, during the 31-day extension period. The Congressional action has not affected the price ceilings applicable to the spring pack vegetables priced under CPR 42.

Although the language of the amendment limiting the authority for ceiling price rollbacks is not wholly unambiguous, it seems clear that it was the Congressional intent to prohibit any regulations from becoming effective after June 30 which would require any individual seller to sell a particular item at a price lower than the individual seller's ceiling price for that particular item in effect on June 30. Since the expected fruit and vegetable pricing regulations would undoubtedly have required rollbacks of prices for some items, or grades within items, sold by some canners, it is probable that the issuance of these regulations will be postponed pending further Congressional consideration of the question of rollbacks. The issuance of the regulations, however, rests on the interpretation the OPS attorneys make of the anti-rollback amendment.

The text of General Overriding Regulation 13, which gives effect to the Office of Price Stabilization's interpretation of the manner in which the anti-rollback provision affects price ceilings under CPR 22, is reproduced on page 260. The following brief discussion may serve to clarify the principles under which OPS may be presently proceeding as a result of the restriction on its authority to effect rollbacks.

By Amendment 6 to CPR 22, effective May 28, 1951, the Office of Price Stabilization gave manufacturers of items covered by CPR 22 the option of applying, during the period May 28 to July 2, either the GCPR price ceilings under which they were currently operating or the CPR 22 price ceilings. If a canner selected a date prior to July 2 to institute his CPR 22 price ceilings, and had met the requirements of the filing period, the regulation became effective as to him upon that date for all of his commodities covered by the regulation. In the case of a ceiling price determined under CPR 22 that was higher than the GCPR ceiling price for that item, the canner could not deliver the canned foods until 15 days after the date of receipt by OPS of the required Form 8 Filing Report. Where the ceiling was lower, no waiting period was required.

With the passage of the limiting amendment, no further rollbacks of prices can be required of canners after June 30. Thus any canner who has filed his Form 8 Reports of ceiling price increases with OPS, but has not put into effect such CPR 22 prices on or before June 30, either because of the required 15-day waiting period or by his own choice, will continue to determine his ceiling prices under GCPR. If, however, a canner had filed his reports with OPS more than 15 days in advance of June 30 and had put into effect on or before June 30 his CPR 22 prices, some of which were higher and some lower than his GCPR prices, thus making CPR 22 effective as to him prior to the passage of the joint resolution, he must continue to apply the CPR 22 ceilings.

Some question remains as to the effect of the anti-rollback amendment and of GOR 13 on the situation where a canner has filed his Form 8 Reports with OPS and voluntarily reduced his prices to the level of the ceilings required by CPR 22 on or before June 30. In this situation, there is considerable doubt whether the canner could legally be required to maintain during the extension period his lower CPR 22 prices, since there is nothing to prevent a seller from voluntarily reducing his selling price below the applicable ceiling, and, in instances where he has not taken for himself the advantage of a higher CPR 22 price, it cannot be said that he has irrevocably exercised his option of applying, before the date on which he was legally required to do so, all of his CPR 22 price ceilings.

General Overriding Regulation 13 also extends indefinitely the date on which manufacturers who have not yet filed their Form 8 Reports must do so. Any canner, therefore, who has not yet filed the reports required of him by CPR 22 may withhold such reports until further action is indicated by OPS.

Chlorine Requirements Filed

The National Canners Association has prepared and submitted to the Department of Agriculture's Production and Marketing Administration the canning industry's chlorine requirements for 1951. These requirements are in tons of liquid chlorine as used for in-plant chlorination, the chlorination of wastes, and for chlorine compounds used for sanitation maintenance of canning factories.

PMA is the canning industry's claimant agency before the National Production Authority. NPA's chlo-

rine conservation order M-31, issued January 23, did not contain provisions for the canning industry's use of chlorine for in-plant chlorination. By supplying PMA with this information the NPA will be advised of the industry's requirements.

DO 46 and 47 Strengthened By Directive to CMP Reg. 3

To assure continuity of defense-supporting construction programs and certain other important programs, the National Production Authority on July 3 ordered that the DO ratings previously assigned them for acquisition of materials be given equal status with authorized controlled materials orders during the current calendar quarter.

Text of Direction 2 to CMP Reg. 3, authorizing this, follows:

This direction under CMP Regulation No. 3 is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950. In the formulation of this direction, consultation with industry representatives has been rendered impracticable due to the need for immediate action and because the direction affects many different industries.

SECTION 1. Notwithstanding the provisions of section 4(c) of CMP Regulation No. 3, any delivery order for controlled materials bearing a DO rating listed in Schedule I of this direction, calling for delivery in the third calendar quarter of 1951, which has been accepted by a supplier and scheduled for delivery in the third quarter of 1951, prior to the effective date of this direction, shall have equal preferential status with authorized controlled material orders calling for delivery in that quarter.

SECTION 2. Notwithstanding the provisions of section 5(c) of CMP Regulation No. 3, any delivery order for products or materials other than controlled materials bearing a DO rating listed in Schedule I of this direction and calling for delivery in the third calendar quarter of 1951, which has been accepted by a supplier and scheduled for delivery in the third quarter of 1951, prior to the effective date of this direction, shall have equal preferential status with delivery orders bearing a DO rating with an allotment number or symbol calling for delivery in that quarter.

Schedule I

DO-22	DO-46	DO-51
DO-38P	DO-47	DO-62
DO-41	DO-48	DO-66
DO-45	DO-49	

This direction shall take effect on July 3, 1951.

'Legal Minimums' Announced for Irish, Sweetpotatoes

The U. S. Department of Agriculture on June 5, announced "legal minimum" price determinations for two additional processing vegetables—sweetpotatoes and Irish potatoes for canning. On February 27 (see Supplement to INFORMATION LETTER, No. 1325, Feb. 28) USDA announced area "legal minimum" prices of 11 such vegetables.

In the case of sweetpotatoes for canning, dollar-and-cents adjustments, as of May 15, 1951, are established for three areas.

The adjustment for Irish potatoes for canning is in terms of a factor and applies to all areas since separate area adjustments have not been provided.

The individual sweetpotato canner, in interpreting these legal minimum price adjustments in terms of his specific situation, may apply, as of May 15, 1951, the appropriate dollar-and-cents adjustment of his area, shown in the table below, to his average price paid for 1950 crop sweetpotatoes in each of his 1950 price classifications. For this purpose, the Irish potato canner may apply, as of May 15, 1951, the factor shown in the schedule to his 1950 average price paid for the raw commodity in each of his 1950 price classifications.

The effective legal minimums will change as changes occur in the index of prices paid by farmers.

Sweetpotatoes for Canning

Area	Adjustments to be applied as of May 15, 1951, to prices paid for 1950 crop sweetpotatoes for canning cents per bu. ¹
Area No. 1—Louisiana . . .	51.0
Area No. 2—N. J., Del., Md., Va., N. C.	27.0
Area No. 3—All other states	31.0

¹ 55 pounds per bushel.

Irish Potatoes for Canning

Area	Factor to be applied as of May 15, 1951, to 1950 calendar year prices paid for raw product factor
All states	1.75

Maintenance, Repair Order

CMP Reg. 5 covering maintenance, repair and operation materials and supplies, which will replace DO 97, is scheduled for issuance Monday, July 9. Immediately upon release, the N.C.A. will mail copies to the membership.

Catsup and Chili Sauce Bottles

Manufacturers of glass containers used for catsup and chili sauce during the 1951 season were authorized to increase ceiling prices for these containers by 15 cents per gross under Supplementary Regulation 35 to the GCPR, issued by the Office of Price Stabilization on June 27.

The OPS authorization is intended to compensate for the seasonal discount which had been reflected in the base period prices for these bottles.

Price Regulations Delayed

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debate on these controversial issues, and a new law has been enacted. The Association is advised, however, that the preparatory work on these regulations within OPS is continuing and they will, therefore, presumably be ready for issuance when the statutory authority has been clarified.

Canned peas, cherries, apricots, and blueberries must be priced under GCPR. Other seasonal fruits and vegetables, now being packed, except for those that come under CPR 42, must also be priced under GCPR.

OPS on July 6 issued an Interpretation of General Overriding Regulation 13 which in substance is the same as the interpretation by N.C.A. Counsel that appears on page 257 of this issue of the INFORMATION LETTER, under the heading "OPS Prohibited from Instituting Price Rollbacks During Defense Act Extension."

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PROCESSING

Laboratory Issues Report on Preservation by Antibiotics

The latest in the series of special reports compiled by the N.C.A. Washington Laboratory, Research Report No. 7-51, "N.C.A. Experimental Program with Antibiotics," has just been issued, and copies are available on request to the N.C.A. Research Laboratories in Washington.

This report covers in detail the experimental work that was undertaken to investigate the possible use of antibiotics in the preservation of canned foods which now require high temperature processing. Interest in this field was occasioned by published reports that the antibiotic subtilin, when used with mild heat, would destroy *Clostridium botulinum* and the spoilage organisms which are of importance in canning.

The studies that were made included the testing of a number of antibiotics, with emphasis on subtilin. The results of the 1950 project were summarized by Bohrer (Convention Issue, INFORMATION LETTER No. 1325, Feb. 28, page 95) who concluded that neither subtilin nor any of the other antibiotics that were tested show promise as an alternate for conventional canning procedures. Certain of the findings, however, were sufficiently encouraging to suggest the advisability of continuation of the program in a search for the "ideal" antibiotic. The studies are being continued.